

j. PUBLIC NOTICE: The State has determined that public notice is not required in accordance with 447.205 because this is not a significant change in our methods and standards for setting payment rates for services. The proposed section clarifies allowable payment under rare circumstances (occurring only twice in Nebraska in the approximately eighteen years of cost related reimbursement). Although provisions of this section may result in increased reimbursement to a facility, its rare occurrence and the short period of time allowed for increased reimbursement results in no significant impact in the methodology. At the same time, this proposed change is important when a facility finds itself under these circumstances, because it allows for rates that are reasonable and adequate during a closeout period.

k. REVALUATION OF ASSETS: This Plan Amendment does not change plan provisions under Section 12-011.06H, which outline the cost basis allowed for facilities purchased on or after December 1, 1984.

l. RATES PAID: Per diem rates are computed in accordance with these methods and standards.

RELATED INFORMATION:

a. The estimated average payment rates are:

	Average Per Diem	
	1/1/94	After Change
All Nebraska Facilities	\$62.03	\$62.03

which may be further broken down as follows:

Located in MSA:		
Wavered	\$56.63	\$56.63
Non-wavered	\$72.14	\$72.14
Not Located in MSA:		
Wavered	\$55.78	\$55.78
Non-wavered	\$61.20	\$61.20

Richard P. Brummel
September 2, 1994
Page Four

b. The Department finds that the rates will ensure availability of Nursing Facility services because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program. Payment for ICF/MR services are not affected by this plan change. The short-term and long-term consequences of continuing provider participation are that services will remain available on statewide and geographic basis, with proper care furnished to those in need of services.

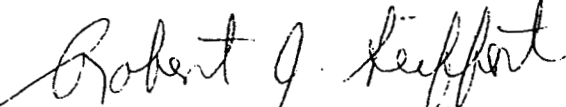
c. Addendum #3 details the computation of the percent increase allowed for the interim rate computation, Section 12-011.07D. The costs of implementing nursing home reform are included in this Addendum's computations of interim rates (and are included in Nursing Facility costs reported to the Department on their June 30, 1993 Cost Reports), and are further explained in Addendum #2 (see below).

NURSING HOME REFORM REQUIREMENTS:

Nebraska State Plan Amendment MS 92-12, Addendum #2, details the specific methodology used in determining the adjustment in payment amounts for OBRA 87 requirements as required by Section 4801(e)(1)(B) of OBRA 90. This Addendum is still applicable and in effect.

If you have any questions regarding this State Plan Amendment, please contact Tom Folmer at (402) 471-9202.

Sincerely,


Robert J. Seiffert, Administrator
Medical Services Division

Enclosure

STATE OF NEBRASKA

DEPARTMENT OF SOCIAL SERVICES

Dean Harvey

HHS
HCFA-MEDICAID
REGION VII

94 JUL 20 PM 2:53



E. Benjamin Nelson
Governor

July 15, 1994

Richard P. Brummel
Associate Regional Administrator for Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, MO 64106-2898

RE: FMB:MS
NE MS 94-05

Dear Mr. Brummel:

This letter addresses your request for additional information on Nebraska State Plan Amendment MS-94-5, which makes revisions to the provision of services to our long-term care clients with "special needs". As your specific questions are addressed, please keep in mind that this amendment does not propose new services. It revises current Plan material, based on our experience with special needs.

Related Information

We advised, in accordance with the requirements at 42 CFR 447.255(a), that the estimated average payment rate for all Nebraska nursing facilities is \$62.03 and will not change with the implementation of this Plan amendment. This is the case because:

1. services remain identical to those covered currently, and
2. the rate computation methodology for these services was modified only slightly. The proposed methodology bases rates on actual facility costs which we trend forward, rather than on facility budgets. This affords the Department more definitive control over the prospective rate; ideally, however, identical rates would be computed under either methodology.

Also, very few NF beds are utilized for these services. Therefore, any minor modification to rates would not materially affect a Statewide average computation.

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Richard P. Brummel
July 15, 1994
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Other Comments

"Special needs" are Medicaid covered services for NFs. These are services provided to clients with medical needs which require long-term, twenty-four hour nursing care as provided in a NF. However, the services do not fall within a "normal" mix of care usually found in a NF because:

1. nursing hours in special needs units are greater:

approximately 4 to 6.5 hours for a NF,
approximately 9 to 10.5 hours for complex special needs and
approximately 11 hours for ventilator dependant,

2. for clients requiring long-term rehabilitation, therapies are more intensive and are required for a longer period of time, and

3. staff must have specialized training and possess specific skills in caring for these clients - the traumatic brain injured, ventilator dependant, etc.

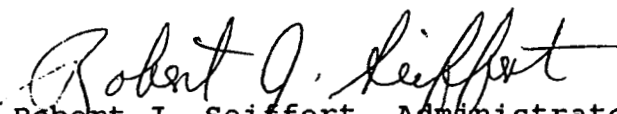
Because the intensity/complexity of care requires more nursing hours and/or specialized staff, and supplies/equipment may exceed that provided in a "normal" NF setting, the related cost of care is much higher and falls outside of rates determined under our case-mix reimbursement methodology.

Assurances

A revised HCFA Form 179 with a proposed February 16, 1994 effective date is enclosed.

If you have any questions regarding this information, please contact Tom Folmer at (402) 471-9202.

Sincerely,


Robert J. Seiffert, Administrator
Medical Services Division

Enclosure

STATE OF NEBRASKA

DEPARTMENT OF SOCIAL SERVICES
Dean Harvey
for



E. Benjamin Nelson
Governor

March 31, 1994

Richard P. Brummel
Associate Regional Administrator for Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, MO 64106-2898

94 APR -4 AM 10:49
HHS
HCFA-MEDICAID
REGION VII

Dear Mr. Brummel:

The enclosed Plan Amendment MS-94-5 addresses services for our long-term care clients with special needs. This category of clients includes those whose medical/nursing needs are complex/intensive, such that the level of services required are above the capabilities of staff and services ordinarily provided in a nursing facility, but less than the level of acute care hospitals. Three areas of services are defined: 1) ventilator dependent clients, 2) clients requiring specialized long-term rehabilitation, and 3) other special needs clients. Three Nebraska facilities have ventilator units, one Nebraska facility is providing long-term rehabilitation, and one Nebraska facility is providing services under the third category.

This Amendment is a rewrite of previous Plan material. Definitions and criteria have been revised/expanded, reflecting experience gained by the State since inception of this program. Minor revisions have also been made to the payment methodology, again reflecting our experiences. We estimate that there will be no change to the total reimbursement amounts.

ASSURANCES:

a. REASONABLE AND ADEQUATE RATES: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.

CENTRAL OFFICE

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Richard P. Brummel
March 31, 1994
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b. COSTS OF COMPLYING WITH OBRA 87: The Department finds that the rates promulgated under this system provide for the payment of costs (including the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for benefits under the title) of complying with the nursing home reform requirements of OBRA 87.

c. COSTS OF COMPLYING WITH Part 483 Subpart B of 42 CFR Ch. IV: The Department finds that the rates promulgated under this system take into account the costs of complying with the requirements of Part 483 Subpart B of 42 CFR Ch. IV.

d. APPROPRIATE REDUCTION: The Department finds that the rates promulgated under this system provide for an appropriate reduction to take into account the lower costs (if any) for nursing care of a facility which is under a waiver of the requirement to provide licensed nurses on a 24 hour basis.

e. PUBLIC DATA: The Department finds that the data and methodology used in establishing payment rates are available to the public.

f. UPPER LIMITS: This Plan Amendment does not change requirements under Section 12-011.03, which state that "because Title XVIII principles of reimbursement are further restricted by this regulation, the aggregate payments by the Department do not exceed amounts which would be paid under Title XVIII principles of reimbursement for extended care facilities".

Aggregate payments to State operated facilities may not exceed the amount that can reasonably be estimated that would have been paid under Medicare payment principles.

g. PROVIDER APPEALS: This Plan Amendment does not change plan provisions under Section 12-011.13, which provide for a facility appeal process.

h. UNIFORM COST REPORTING: This Plan Amendment does not change plan provisions under Section 12-011.09 which provide for uniform cost reports from all providers.

i. AUDIT REQUIREMENTS: This Plan Amendment does not change plan provisions under Section 12-011.10, which provide for periodic audits.

j. PUBLIC NOTICE: Public notice was published on February 15, 1994, with the public hearing held on March 17, 1994.

Richard P. Brummel
March 31, 1994
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k. REVALUATION OF ASSETS: This Plan Amendment does not change plan provisions under Section 12-011.06H, which outline the cost basis allowed for facilities purchased on or after December 1, 1984.

l. RATES PAID: Per diem rates are computed in accordance with these methods and standards.

RELATED INFORMATION:

a. The estimated average payment rates are:

	Average Per Diem	
	1/1/93	1/1/94
All Nebraska Facilities	\$60.07	\$62.03

which may be further broken down as follows:

Located in MSA:		
Waivered	\$61.84	\$56.63
Non-waivered	\$72.12	\$72.14
Not Located in MSA:		
Waivered	\$54.13	\$55.78
Non-waivered	\$59.26	\$61.20

b. The Department finds that the new rates will ensure availability of Nursing Facility services because providers in Nebraska will receive rates which allow adequate reimbursement for continued participation in the program. Payment for ICF/MR services are not affected by this plan change. The short-term and long-term consequences of continuing provider participation are that services will remain available on statewide and geographic basis, with proper care furnished to those in need of services.

c. The average payment rates quoted per these assurances are equivalent to those quoted per our March 11, 1994 assurances, which accompanied SPA MS-94-1. Those assurances detailed the interim rate increase for calendar year 1994. The costs of implementing nursing home reform were included in the computations of interim rates (and are included in Nursing Facility costs reported to the Department on their June 30, 1993 Cost Reports). Implementation of this Amendment does not change these rates.

Richard P. Brummel
March 31, 1994
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NURSING HOME REFORM REQUIREMENTS:

Nebraska State Plan Amendment MS 92-12, Addendum #2, details the specific methodology used in determining the adjustment in payment amounts for OBRA 87 requirements as required by Section 4801(e)(1)(B) of OBRA 90. This Addendum is still applicable and in effect.

If you have any questions regarding this State Plan Amendment, please contact Tom Folmer at (402) 471-9202.

Sincerely,

A handwritten signature in cursive script, reading "Robert J. Seiffert".

Robert J. Seiffert, Administrator
Medical Services Division

Enclosure

STATE OF NEBRASKA

DEPARTMENT OF SOCIAL SERVICES
Mary Dean Harvey

HHS
HCFA-MEDICAID
REGION VII

94 MAR 17 AM 11:17



E. Benjamin Nelson
Governor

March 11, 1994

Richard P. Brummel
Associate Regional Administrator for Medicaid
Room 227, Federal Office Building
601 East 12th Street
Kansas City, MO 64106-2898

Dear Mr. Brummel:

The enclosed Plan Amendment MS-94-1 addresses our nursing facility payment rate methodology for services to Nebraska Medicaid clients. This amendment revises Addendum #3 to the State Plan. Addendum #3 details the computation of the percentage which is used to increase allowable June 30, 1993, costs, to calendar year 1994 interim rates. We request your approval of this State Plan change.

ASSURANCES:

a. REASONABLE AND ADEQUATE RATES: The Department finds that the rates promulgated under this system are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers which provide services in conformity with applicable state and Federal laws, regulations, and quality and safety standards.

b. COSTS OF COMPLYING WITH OBRA 87: The Department finds that the rates promulgated under this system provide for the payment of costs (including the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for benefits under the title) of complying with the nursing home reform requirements of OBRA 87.

c. COSTS OF COMPLYING WITH Part 483 Subpart B of 42 CFR Ch. IV: The Department finds that the rates promulgated under this system take into account the costs of complying with the requirements of Part 483 Subpart B of 42 CFR Ch. IV.

State Plan TN# 94-01 Effective Date 01/01/94
Supersedes TN# _____ Approval Date 04/04/94

Richard P. Brummel
March 11, 1994
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d. APPROPRIATE REDUCTION: The Department finds that the rates promulgated under this system provide for an appropriate reduction to take into account the lower costs (if any) for nursing care of a facility which is under a waiver of the requirement to provide licensed nurses on a 24 hour basis.

e. PUBLIC DATA: The Department finds that the data and methodology used in establishing payment rates are available to the public.

f. UPPER LIMITS: This Plan Amendment does not change requirements under Section 12-011.03, which state that "because Title XVIII principles of reimbursement are further restricted by this regulation, the aggregate payments by the Department do not exceed amounts which would be paid under Title XVIII principles of reimbursement for extended care facilities".

Aggregate payments to State operated facilities may not exceed the amount that can reasonably be estimated that would have been paid under Medicare payment principles.

g. PROVIDER APPEALS: This Plan Amendment does not change plan provisions under Section 12-011.13, which provide for a facility appeal process.

h. UNIFORM COST REPORTING: This Plan Amendment does not change plan provisions under Section 12-011.09 which provide for uniform cost reports from all providers.

i. AUDIT REQUIREMENTS: This Plan Amendment does not change plan provisions under Section 12-011.10, which provide for periodic audits.

j. PUBLIC NOTICE: Public notice was published on December 31, 1993.

k. REVALUATION OF ASSETS: This Plan Amendment does not change plan provisions under Section 12-011.06H, which outline the cost basis allowed for facilities purchased on or after December 1, 1984.

l. RATES PAID: Per diem rates are computed in accordance with these methods and standards.

State Plan TN# 94-01 Effective Date 01/01/94
Supersedes TN# _____ Approval Date 04/14/94